

June 13, 2018

Seward Economic Development Program - LB 840 Application Review Board

June 13, 2018 - 5:30 p.m.

Seward Civic Center; 616 Bradford Street, Seward, Nebraska

The meeting was called to order at 5:30 p.m., with the following members present: Ellen Beck, Karl Miller, Jessica Kolterman, Ann Underwood, John Owens, Patricia Johnson, Patricia Coldiron (5:34 p.m.); Absent: Jeremy Tonniges. Also in attendance were: Seward County Chamber & Development Partnership Director Jonathan Jank, City Administrator/Program Administrator Greg Butcher, Marilyn D. Varner, Deputy Clerk/Finance Director/Assistant Treasurer (recording minutes).

#### 1. MINUTES - MAY 15, 2018

Moved by Underwood, seconded by Miller, that the May 15, 2018 minutes be approved.

Aye: Miller, Johnson, Owens, Beck, Kolterman, Underwood

Nay: None

Absent: Coldiron, Tonniges. Motion carried.

#### 2. FINANCIAL REPORTS - REVIEW

Moved by Miller, seconded by Kolterman, that the financial reports ending May 31, 2018, be approved.

Aye: Johnson, Owens, Beck, Kolterman, Underwood, Miller

Nay: None

Absent: Coldiron, Tonniges. Motion carried.

#### 3. RED PATH GALLERY & TASTING ROOM; 514 SEWARD STREET (CHASE & ALISON KOCH PURCHASE); LOAN & GRANT

Chase & Alison Koch are in the process of purchasing the Red Path Gallery & Tasting Room at 514 Seward Street from Verle and Jeanie (Hain) Wiemer. Red Path offers local art, beer, wine and whiskey in an updated historic building. Red Path is a well-established business that the Koch's hope to continue to grow. They will retain the current artwork displays, refreshments and relationships, with possible future expansion of offerings.

#### 4. PRECISION PILATES (MELISSA MAKEY); 240 NORTH 5TH STREET; LOAN & GRANT

Melissa & Casey Makey explained that their Precision Pilates business was established in their home basement about three years ago. Their business has steadily increased to require a larger space, thus the business has moved to 240 North 5th Street (former Campbell Cleaning location). They are renting space at this location. Ms. Makey explained that many of her customers are post-physical therapy patients and older individuals who benefit from the improvement of muscle function through Pilates. Funding through LB 840 would help them to expand their business, with possible increased services through additional employees.

#### 5. KELLY'S PARADISE (KELLY HANSEN); 240 NORTH 5TH STREET; LOAN & GRANT

Kelly Hansen (Kelly's Paradise) has also moved her business from the Awe Salon location (139 North 6th Street) to 240 North 5th Street. She is renting space at this location. She reviewed the services offered by her business, with the plan to expand her services and employees. She offers massage therapy, permanent makeup and cryotherapy. Her future plan includes adding salt therapy, float tank and body contouring wraps. Funding through LB 840 would help with these future additions and new employees.

#### ACTION ON ALL THREE APPLICATIONS

All three applicants were asked that if the amount of their loan and grant were changed, would this

June 13, 2018

be a concern for them. All three applicants felt that this would not make a large difference in the way they were receiving funding. Administrator Butcher also explained that any loan awarded would be subject to the recording of a deed of trust (if property is owned) and personal guarantees.

Discussion was held by members regarding reserving funding for possible applications from businesses involved in the Downtown Revitalization process. Some members felt that the Board should act on the three applications under present review, without trying to anticipate future applications. Current loan recipients continue to repay their monthly amounts, with City sales tax funding being received on a monthly basis (\$12,500.00 each month), so funds are being replenished on a continuing basis. Jonathan Jank explained that some Nebraska cities have sold bonds to fund the entire amount for their approved time period of their LB 840 funding, with amounts being set aside for specific purposes (i.e., loans or grants). Current LB 840 funding extends to the year 2024 for the City of Seward.

A motion was made by Underwood, seconded by Johnson, to approve the requested loans and grants for the three applicants in the amounts and time periods requested: Red Path Gallery & Tasting Room (Chase & Alison Koch), 514 Seward St. (loan of \$25,000.00 for 84 months) and grant of \$47,300.00); Precision Pilates (Melissa Makey); 240 North 5th St. (loan of \$22,352.08 for 48 months and grant of \$24,671.43); Kelly's Paradise (Kelly Hansen); 240 N. 5th St. (Loan of \$50,760.00 for 120 months and grant of \$30,000.00).

It was agreed by Board members that the funding should be adjusted on the total amounts requested by the applicants to 75 percent loan and 25 percent grant.

An amendment was made to the original motion by Kolterman, seconded by Beck, to increase the term on the Red Path Gallery proposed loan from 84 months to 120 months.

Aye: Underwood, Miller, Johnson, Coldiron, Owens, Beck, Kolterman

Nay: None

Absent: Tonniges. Motion carried.

Another amendment was made to the original motion by Kolterman, seconded by Beck, to increase the term on the Precision Pilates loan from 48 months to 60 months.

Aye: Underwood, Miller, Johnson, Coldiron, Owens, Beck, Kolterman

Nay: None

Absent: Tonniges. Motion carried.

After discussion, the original motion was restated as follows:

A motion was made by Underwood, seconded by Johnson, to approve loans and grants for the three applicants in the amounts and time periods, as adjusted. All loans will be issued at half of the prime interest rate of 4.75 percent, which equates to 2.375 percent per annum:

Red Path Gallery & Tasting Room (Chase & Alison Koch), 514 Seward Street - Loan of \$54,255.00 for 120 months and Grant of \$18,045.00 (Total \$72,300.00)

Precision Pilates (Melissa Makey), 240 North 5th Street - Loan of \$35,267.00 for 60 months and Grant of \$11,755.00 (Total \$47,022.00)

Kelly's Paradise (Kelly Hansen), 240 North 5th Street - Loan of \$60,570.00 for 120 months and Grant of \$20,190.00 (Total \$80,760.00)

Aye: Johnson, Coldiron, Beck, Kolterman, Underwood

Nay: Miller, Owens

Absent: Tonniges. Motion carried

June 13, 2018

5. MOTION TO ADJOURN

The meeting was adjourned at 7:54 p.m. in a motion by Underwood, seconded by Owens.

Aye: Miller, Johnson, Coldiron, Owens, Beck, Kolterman, Underwood

Nay: None

Absent: Tonniges. Motion carried.